

It is a vain old demand of Werner Daitz that in a similar way as it has been carried out in agriculture by means of the agricultural constitution and its instrument of market organization by R. Walter Darre and his co-workers in an exemplary way, – also the constitution of the industrial economy develops an instrument of market organization from state leadership and its own ideological attitude. That therefore also here all differentiating special knowledge and ability is bound again and again by the policy, i.e. the leadership, to creative life unity and organization. Leadership, as the strategy of the economy, can only lie with the state, while the execution of its leadership orders, i.e. the tactical measures, are primarily a matter of economic self-government. The more instinctively the economy and its self-governing organs carry out the state's orders out of their ideological and thus ethical attitude, the broader can be the scope of tasks left to the economy to regulate on its own responsibility, and to that extent the economy is also able to determine the limits of its freedom of movement itself, to secure its freedom in the natural bond. – Only if it does not have this inner attitude of its own to a sufficient extent is the state forced to set up its own close-meshed economic administration in order to carry out its orders. The state is forced to set up its own close-meshed economic administration with the associated danger of bureaucratism. Almost too much has been written recently about the relationship of the state to the economy and about the freedom of the entrepreneur. Nevertheless, we believe that we should make the present paper available to the public, since it makes an interesting attempt to develop and discuss, in a fundamental and systematic way, an instrument for market regulation in the industrial economy in the form of the steering cartel. In the steering cartel – as a market-regulating performance community – the author believes to have found a fruitful synthesis between the indispensable claim to leadership of the state and the natural freedom of the economy. The author describes in detail the development of the commercial cartel from an instrument of capitalist market domination, "organized self-interest", to an organ of national economic market order, "organized common interest". In order to express this fundamental change in the function of the cartel in linguistic terms, it would perhaps be appropriate in future to speak only of a "steering cartel". – Just as the national cartel is not an autonomous entity, but a body which carries out state economic directives within fixed limits on its own responsibility and creatively, so the large-scale cartel must carry out economic directives of the management bodies of European economies in an attitude which results from the new European moral law, the European common good, which binds all peoples of the European family of nations. Dresden, September 1941. CENTRAL RESEARCH INSTITUTE FOR NATIONAL ECONOMICS AND LARGE SPACE ECONOMICS E. V. PREVIEW

The problem of the large-scale economy is new territory in economic science. Since Naumann's famous "Central Europe" (1915), a whole series of studies on the preconditions and possibilities of a European economic bloc have been published, but all these works have decisive deficiencies if their evaluation is based on today's conception of the large-scale economy. The most important drawback of these publications is the one-sided approach to large-scale economic relations and cooperation. For example, the possibilities of a European customs union are discussed without examining the problems of autarky of this metropolitan area. Or there are discussions of monetary cooperation in Europe without any consideration of market organization issues. Thus, at best, treatises on a "large trade area" or a "large currency area" were produced, i.e. on partial problems of the "total large area economy". "If it is to be possible to speak of a large-scale economy, cooperation must extend to all areas of the economy. The goal is not merely a foreign trade, currency or transport community; only all of these together and a community of the other types of services result in a perfect large-scale economy. If a community is lacking in one or more of the other types of services, the union achieved in the remaining areas is to be regarded only as a preliminary stage to a truly large-scale economy. In the case of lower-ranking types of service, the more loose and less effective the merger will be. Also, it will not be called a macroeconomic, but merely a partial economic one, which is still far

away from a true large-scale economy. "1) In this work, the attempt is made to create a "holistic doctrine of the large-scale economy". A coherent picture of the ideal and material2) preconditions of a large-scale economy is given. Above all, however, the fundamentals and methods for an expedient interaction of the productive large-scale forces are developed. The result will be the ideal of a large-scale market order in which a meaningful intergovernmental division of labor will help to overcome the so-called "trade barriers" (currency difficulties, prohibitive tariffs, quotas, import bans, etc.), which have been discussed ad nauseam, and will even remove the internal preconditions for their existence. In order to be able to realize the large-scale market organization in practice, a market organization is required. The further task of this paper will therefore be to work out the organizational foundations of the large-area economy. The German economic organization will inevitably have to form the starting point of the considerations. Here, the difficulty arises that the German organizational apparatus is far from having the design which corresponds to the requirements of a meaningful economic order or, as was once expressed, which "constitutes the true German economic style". Partly as a result of organizational mistakes and partly because of wartime necessities, we are currently in a state that is not far from a total planned economy. The most urgent task for the future will be to loosen up the economic administration and focus on its actual management functions. It is necessary to find the most expedient synthesis between freedom and commitment1) so that that healthy interrelationship between man and community may arise which will be of the greatest benefit to both. The community is not an abstract, but a union of living people. If the community is threatened to be destroyed by individualism carried to extremes, the individual, conversely, can likewise perish in an exaggerated community order, i.e. over-organization; but this would in turn destroy the community as a connection of individuals. But how important it is now to find this harmony between the urge for freedom and the need for bonds, when Germany is confronted with the task of leading the European continent toward a better future! In an area which contains such different national temperaments, only the idea of community will be crowned with success which knows how to take into account to a large extent the national characteristics of the sub-areas. Just as there must be free zones of the individual in the community of peoples, so there must also be free zones of the peoples in the community of peoples, in order to avoid from the outset the emergence of a "dislike of large areas". It must be stated with regret that science has treated the problems of organization and management of industrial operations exhaustively in literature, but that it has not yet been able to develop a useful theory of national, let alone large-scale economic organization and economic management! We believe that the reason for the inadequate scientific penetration of the problems of economic guidance and economic organization is that science and economic administration have not yet sought or found the cross-fertilization which could show the organization of the economy the way out of its present inadequacy to more reasonable forms. In any case, the spurning of "theory" is in no other field so dangerous as in that of organization. There should be no doubt that the development of a good system of economic steering principles and organizational techniques would establish not inconsiderable possibilities for simplification in wide areas of economic bureaucracy. In the future, one should make it a principle not to pursue economic "order" until one has thoroughly ordered one's thoughts! For the industrial economy, we put up for discussion the "large-scale cartel" as an instrument of market order in the European economy.1) The present "international cartel", reorganized and expanded in form and content according to its large-scale tasks, could represent a suitable organizational basis for the European economic community. The use of the cartel as a large-scale instrument has two overriding advantages: first, the cartel as a professional organization is of interest to

First, the cartel, as a professional organization, is interested by its very nature in all questions of market regulation of the product for which it is responsible. Thus, the cartel organization guarantees the uniform handling of all large-scale tasks - and how necessary is a "central clearing of projects" in the

large-scale economy! On the other hand, however, the cartel is the organizational expression of true entrepreneurial community work and self-management. It could thus become one of the most important carriers of the future economic order based on private initiative, albeit working on behalf of the community and under the supervision of the state. We leave the agricultural problems out of our consideration.¹⁾ The market organization of the Reichsnährstand, which once served as a model for the industrial cartel, has developed over the years into

one of the most successful instruments of German economic management and is making every effort to be a model also in the European large-scale economy. Although we are aware of the great structural differences between the agricultural economy and the industrial economy, we nevertheless believe that the industrial economy should now take the Reichsnährstand as a model, at least in one respect: like the Reichsnährstand, it should have the courage to reach into the heart of the market order, i.e. into production, and to shape it in joint cartel work for the benefit of the whole. The "performance cartel" must replace the "pension security cartel" in Germany and beyond in the European area! We have regarded it as the most essential goal of our work to bring the large-scale economy and its economic order into a closed logical system. We have adhered to the systematization of the material, even at the risk that our explanations might appear simplistic at times. In the pursuit of the set goal we have also avoided to bury the course of our thoughts too much under "examples from practice". The work has been written primarily for the practitioner. He can most readily weigh the value of our suggestions from his practical knowledge and insight. He therefore does not need examples. However, what his practical work does not always provide him with is an overall view of large-scale problems and their internal interrelationships as well as a systematic overview of the possibilities of large-scale economic organization. In a work of this scope, it is of course not possible to give detailed recipes. Also, the treated area is too new to be able to find "patent solutions" already now - if these can be found at all in such a multifaceted problem area! We consider our task to have been fulfilled if the reader is given suggestions for further thoughtful penetration of the economic problems arising in the context of the reorganization of the European conditions of existence. Berlin, September 1941. THE EDITOR INTRODUCTION

The war as a precursor of the European economic community. "War is the father of all things!" This saying of Heraclitus applies more than ever to the present European struggle for destiny. The birth of the political and therefore also of the economic reorganization of Europe lies in the military decisions of June 1940 in the West. Even if we are convinced that in the course of years or decades the German economic and social order, by virtue of its inner logic, would also have found its way peacefully into the peoples of Europe and especially into the Western democracies, the war gave this development an almost tumultuous impetus. Without the destruction of the military power of France, Belgium and Holland, without the cutting off of the European continent from the world economy by the British blockade¹⁾, the revolutionization of the European life and economic order which began with the French armistice would not have been possible. The Balkan campaign created new conditions for the economic integration of the Southeast with Central Europe, which had already become more and more intensive from year to year since 1933. The victorious Eastern campaign will have as yet unforeseeable consequences for European existence. The war for the life of Europe forced the peoples of our continent, on the one hand, to reflect on their own economic forces and their promotion - even at the risk of violating hitherto "sacred economic laws" - but, on the other hand, it also triggered the reawakening of the sense of space, i.e. the consciousness of a fateful interconnectedness of all the members of the European living space. The mobilization of the European power reserves is naturally expressed first and foremost in the promotion of agriculture as the basis of all economic activity. Increasing yields and opening up the soil for new crops is the motto everywhere. The Balkan states, whose agricultural yields per hectare have so far been only about 50% of Germany's, are making

enormous efforts to intensify their soil with German help. For the French, the slogan is: "France must become a farming country again!" Thus, of the approximately 6 million hectares of fallow land from 1940 to 1941, 1 million hectares have already been cultivated. Many countries have limited their pastures in favor of cereal crops, thus limiting the calorie-consuming production detour via the cattle stomach. In the Nordic countries, feed is derived from cellulose. Fish oil takes the place of olive oil, sugar beet is grown, and so on. Following the German example and under Germany's leadership, everywhere one has gone from the German to the continental nutritional battle! Since the beginning of the war, industrial activity has experienced no less of an upsurge in the European region. Whether we think of the exploitation of new mineral resources, the use of water power, the construction or expansion of plants for the production of new materials, everywhere the continent's drive for self-assertion has unleashed undreamed-of economic forces. One might now believe that all these measures were only born of a kind of blockade psychosis, and that after the war, when all the oceans of the world are once again open, the individual states will once more subscribe to the laws of the international division of labor, which "after all has only brought blessings upon mankind." All the signs indicate that this will not be the case. The world war has brought the first shock to the belief in the eternal flourishing of the world economy. A more artificial -flare-up of the international free play of forces took place after the war and initially made people forget the experience of the four years of hardship. The second shock to the idea of free trade, however, came during the world economic crisis, which, with its millions of unemployed, bore witness to the "blessings" of the individualistic era. The autonomous national-organic economic policy, which has since been promoted consciously and intensively in many countries, but only hesitantly in others, may now have received a decisive impetus to stick to the autarkic course, now that the peoples are having to pay their dues for the third time. The experience of the "rediscovery" of the European continent holds them spellbound. Therefore, they do not limit themselves to "war measures," but make long-term plans: Five-, eight- and ten-year plans. The "continentalization" of Europe is storming forward with giant strides! It is all too natural that Germany fights particularly passionately for the idea of a large area, both materially and ideally. Germany has had to atone in two ways for devoting itself with its proven thoroughness to the world economy. In the World War, it suddenly found itself cut off from overseas sources of raw materials, which it needed more in war than in peace. In the great crisis, the "workshop of the world" suffered most from unemployment. Germany, recognizing the untenability of this state of affairs, has been preparing the reorganization of Europe practically since 1933. It must be regarded as a tragic fate that the peoples of Europe, out of shortsightedness and conservatism, did not at that time unreservedly recognize the necessity of this reorganization. How much more generous could German economic planning have been, and how many economic projects could have been carried out more sensibly from a continental point of view! Since the beginning of the war, Germany, as the country of the center and as the radiating center of the forces promoting large-scale development, has already partly realized and partly tackled comprehensive plans for peaceful economic reorganization, despite the fact that its entire economic potential has been directed toward the war goal. In all areas, one senses the responsibility of the German economy for the continental future. Germany has moved from national planning to continental planning, from national economic thinking to continental economic thinking. Multilateral clearing, in a sense the ledger and thus the symbol of a closed economic enterprise, has already become a reality in its basic features. Trade relations between Germany and the rest of Europe have become ever closer, indeed, one does not stop at "exchange," but rather rebuilds the economies in such a way that they become more and more interdependent.

The trade relations between Germany and other European countries have become increasingly close; indeed, they do not stop at "exchange," but rather reorganize the national economies and coordinate

them with each other by eliminating the many trade barriers such as tariffs, quotas and the like in such a way that one can speak of an ever closer interdependence in the sense of a constructive "intracontinental division of labor. Thus, the foundations have already been laid for a "European auto industry bloc". In the field of textile raw materials, close production and sales cooperation has been initiated between Germany and most other European countries. Numerous other joint ventures, such as the Kontinentale Öl-A.-G. (Continental Oil Company) and the Europäische Versicherungsgemeinschaft (European Insurance Community), testify to the desire for particularly close economic integration. The German agricultural and forestry administration is also a leader in Europe in the versatility and intensity of its market regulation measures. However, European cooperation extends far beyond the sphere of production and sales. There is already talk of European labor problems, European transport problems, European law, and so on. The future image of the European economic community

is a postulate. However, it is not a project of "pan"-phantasts, but of responsible realists. The framework of the European large-scale economy is economic self-assertion, the content is social and national justice. The contours

of the picture are already emerging. In some places we can already see forms that are close to completion. It is up to the economic people everywhere to add the missing pieces of the mosaic to the big picture of a united European continent. If, in the past, plans for a large-scale European economy were of a purely academic nature, the reason was primarily that the political conditions were not in place. If politics now puts us in a position to operate a large-scale economy, the German leaders and sub-leaders of the economy must always bear in mind the task they have been given: the task is to maintain and expand by peaceful means what has been created by wise political leadership and by the heroic deeds of the Wehrmacht. More than ever, therefore, we must speak of a committed economy in the future! It will have to be realized that in the long run a pacified and contented Europe cannot be maintained by bayonets and combat boots, but that voluntarism and insight must forge the peoples of Europe together. Thought and action must be directed from the innermost conviction to continental primacy in all things. We know that there is still a long way to go before the political and social ideal we have in mind is achieved in Europe. But we are also aware that the sooner the economy is in a position to give the peoples of Europe a secure material basis and favorable opportunities for advancement, the sooner we shall approach our goal. If first the stomach and the head approve of the new order, then the heart will also be more inclined to enter into a new bond, and the centrifugal development of the European sub-regions toward Western Europe and toward the world economy will be all the more easily reversed into a centripetal one toward Central Europe, toward Germany. The economy will share the responsibility for the fact that this decision struggle will not be the father of miscarriages, but of splendid descendants, who will master the destiny of Europe for centuries. The economy must lead Europe out of the emergency community of war into a flourishing community of peace. But it must also help to ensure that Europe does not remain a mere geographical concept, but also becomes a political concept, indeed forms a community of life of the European "family of nations" (Daitz).

As the most powerful continental state, Germany and its allies would be in a position to dictatorially determine what economic shape Europe should take. Germany could take the standpoint that the realization of a large-scale European economy was a necessity because it took German interests into account. In this case, economic science would have a simple task: it would have to underpin the political demand with the appropriate vocabulary and could bridge one or the other weakness in its thought structure with the sentence: If the German political demand is met, this and that will be necessary for the European national economies ... I The European metropolitan economy will now not be an imperialist entity, but the economic organism of a "family of nations", in which each member community receives a right of co-determination according to its natural weight (= national mass + performance). Thus the "Großraumwirtschaftslehre" will not be under political pressure, but will be able to work with purely scientific methods in order to prove that the Großraumwirtschaft is that form of economic cooperation of national economies which in the long run assures the individual states the highest degree of national self-assertion and of material well-being. Besides, it must be pointed out already now that the Greater Region Economy is not a political invention of the year 1940, but was already discussed years, even decades ago, whereby the course of the decline curve of the world economy was decisive for the respective extent of the discussion.¹) For those who recognize the large-scale economy as such, but do not regard a "leadership" of the large-scale economy as expedient and also not as necessary, large-scale economics will have to prove that the economy of a community of nations must have a carrier just as every economic form and stage has had a carrier up to now. In the household economy it was the family, in the medieval city economy the community, in mercantilism the state, in the modern national economy ... it should have been the people. Here there seems to be a gap in the evidence, for with the beginning of the liberal age the people ceased, in fact, to be the bearer of its national economy. With the disintegration of state space and economic space, more and more the popular ties of the economy were torn apart. The economic principle gained dominance over the national (or, according to earlier views, the common economic-state) principle. Did this mean that all economic activity was determined exclusively by the self-interest of the economic subjects? This was by no means the case. In the meantime, science has proved in detail that this "free play of forces" was by no means exclusively triggered by the economic performance of free contracting partners and their interplay of forces, but that this system very well had a carrier. The actual ruler of the world economy, the more or less visible force which largely controlled the rules of the game of supply and demand, was England! With its outstanding sea power, its infinite colonial possessions and its world-spanning money and credit system, England possessed practically the monopoly position, i.e. rule, over world trade. It was not the market mechanism, guided by private-sector initiative, but specific political forces that triggered, for example, the intensification of Indian jute plantations or Egyptian and Indian cotton crops. On the demand side, it was trade policy guided by a conscious political will¹) that made the world market dependent on English influence, or at least its right of co-determination. The failure of a system speaks against its bearer. England did not manage the world economy in such a way that the self-confident national economies saw a benefit in the long run in the unconditional adherence to the system advocated and zealously propagated by England. The division of the world into haves and have-nots was only one, though the most serious, consequence of the English-style liberal economy, which was bound to provoke natural counter-currents. Nevertheless, we are of the opinion that the liberal system would have failed in the end, even with the best will of its bearer, on the one hand because of the principle of formation prevailing in it and on the other hand because of its spatial extension. In the long run, the

principle of acquisition is not capable of forming a useful system of economic order. The basis of the principle of acquisition is expansion, the permanent development of new spaces. However, this "broad" expansion is limited by the increasing development of the earth. A certain market rigidity (structural crisis!) must occur, which forces the transition to the demand coverage system – if the economic crises have not already triggered this tendency prematurely. If, however, the principle of demand coverage were to replace the principle of acquisition, the spatial expansion of the world would be too great to guarantee a meaningful control of the economic process. For an orderly economy, a relatively closed "economic circle" ¹⁾ is needed to achieve the desired goals of order. The task of large-scale economics will now be to prove with economic-theoretical arguments that the large-scale economy is a natural complementary economy of the economies of a closed living space. Above all, however, it will have to explain what function the "bearer" of such a family of peoples has to perform, so that, on the one hand, the tasks justifiably to be assigned to the large-scale economy are fulfilled and, on the other hand, the members of the large-scale economy do not lead a more or less tributary existence at the mercy of a foreign bearer, as was ultimately granted to them under the sign of the free world economy.

A. Concept of large-scale economy. The term "large-scale economy" was probably first coined by Werner Daitz, the pioneer of the European large-scale idea. Daitz says: "As far as I know, it was in 1916, out of the experience of the war, that I first coined the term "large-scale economy" in conscious contrast to the theory of the world economy, which had been the only one prevailing until then, and that I attempted to give the term "large-scale economy" form and content." ¹⁾ If we want to classify the term "large-scale economy" in a system of economic science, we are faced with a difficulty which seems to be caused by the connection of the term "space" with the term "economy". In fact, the treatment of the concept of space has been greatly neglected in economic science. It could be countered that, after all, the term "economics" clearly refers to the spatial extent, i.e., to the space over which the economic activity of a people extends. Economics has certainly interpreted the historical forms of economy (e.g., household economy, city economy) in terms of their spatial orientation, but it has dealt only little with the spatial problems of modern economics. The reason is to be found in the fact that national economics only attained some importance in an epoch in which the economy was practically spaceless, i.e. a world economy of liberal character. Classical economics is therefore not concerned with the relations of a people to its economic space, as might be inferred from this term, but with general economic topics, such as money, credit, business cycles, income, etc., which are in themselves problems of a general "economics". Few attempts have been made to present a real theory of economics. It will be the future great task of economic science to relate economic knowledge to

the factors of "space" and "people," i.e., to create a "holistic theory" which modifies the classical laws of national economy according to the spatial conditions and political objectives of the national economy. The theory of the metropolitan area economy would thus have to 1. present the economic constitution of an economy belonging to a metropolitan area association, 2. discuss the ideal and material motives of a metropolitan area association, 3. make investigations into the possible transformation of the individual sub-members of the metropolitan area within the framework of the metropolitan area economy, and 4. thus develop an overall system of order for the metropolitan area economy. It is difficult to give a definition of the large-scale economy, because the multitude of characteristics would lead to a confusion of terms rather than to a clarification of concepts if one tried to squeeze them into a short "definition". Nevertheless, we venture to define as briefly and as completely as possible: A large-scale economy is the totality of economic relations between autarky-conscious economies of a relatively closed living space, ordered according to the principles of mutual preference, rational supplementation of productive forces, fair evaluation of performance, and the greatest possible preservation of national interests.¹⁾ To explain this definition, i.e. to give an account of the nature, causes, aims, and prerequisites of the large-scale

economy, will be our task in the following. In doing so, we will endeavor to elaborate general laws of the large-scale economy, i.e. to

i.e., not to take European conditions as a specific starting point. B. The foundations of the large-scale economy. I. Self-sufficiency. The core of all large-scale economic endeavors lies in self-sufficiency consciousness. The self-sufficiency consciousness is expressed in the will of a people to be able to live by its own strength, i.e., not to be dependent on forces and powers over which it has no influence for the satisfaction of its needs of life and protection. One's own space and the productive forces developed from it must be capable of ensuring self-sufficiency, self-determination and self-defense for all time. "Such an attitude to life, however, is the supreme law for all orders of life in this world. For nature as eternal life allows only those orders of life to exist as stable, which are able to live in the first place from their own space and their own strength; which base their life on self-defense." 1) The concept of autarky, however, has another important characteristic: autarky strives for a healthy harmony of economic creation and – since the economy is an important expression of human life – thus of life in general. It means "organic and thus harmonious assignment of man and soil, tribe and landscape, people and space". 2) Monoculture, as it presents itself to us in contrast in the world economy based on the division of labor, is "as a spiritual attitude: addiction, as a principle of life: one-sidedness, as an economic principle: division of labor with the danger of its excessive increase, as professional training: specialization, as a biological form of being: impoverishment. Monoculture is not a permanent form of life. It ends in depletion. It requires a constant expenditure of energy resulting from a one-sided drive in order to be preserved. It is susceptible to external influences, because it lacks the abundance of possibilities of evasion which the organically balanced state of autarky possesses". 1) This concept of autarky differs fundamentally from that of liberal economic doctrine. There, autarky meant as much as self-sufficiency in the sense of self-segregation, seclusion, isolation, and forcible separation from the "living organism of the world economy." It used to be judged negatively, as it were, as something to be rejected, and the advocates of the self-sufficiency idea were accused of backwardness. Self-sufficiency in our sense, on the other hand, is an expression of the proud will of a people to self-assertion and thus a spiritual attitude and principle of life. Such a will to live must reject the world economic division of labor. The international division of labor places the individual and his economic considerations in the foreground; autarky subordinates economic processes to national economic interests. It is not the place here to make detailed investigations of the extent to which the maximum international division of labor, which must necessarily be associated with a genuinely free-trading policy, has existed at all in the real life of the economy. Even if it had existed or could exist, however, there is a fundamental flaw in this system. The idea of the international division of labor "is based on the idea that the economy exists in isolation and without connection with the other spheres of the life of peoples. It overlooks or disregards the fact that the greatest possible yield from the international division of labor can only be achieved at the expense of other interests of the people: at the expense of a healthy distribution of population, at the expense of a settled peasantry, at the expense of many cultural and social goals and, last but not least, at the expense of defense and security". 1) Since, therefore, the economy of a people does not lead an independent existence, one can even conclude, conversely, that ultimately the world economic division of labor is also unreasonable from the economic point of view and must therefore be rejected. Autarky, however, is not to be equated with the complete isolation of an economy from the world economy. Indeed, in most cases the goal of self-sufficiency would be endangered if this isolation were to take place to its full extent. For all economies which have only a limited "internal carrying capacity" 2) – and most of them do – would have to reckon with rising expenditures and diminishing returns to the extent that their withdrawal from the world economy is pursued, and they would even come up against the technical limits of autarky at a certain point. If, therefore, the policy of autarky, i.e., the departure from

the international division of labor, were pushed too far, the inevitable consequence would be that the interests of the people, for whose sake autarky is sought in the first place, would ultimately no longer be guaranteed. As the exaggerated monoculture means spiritual and biological impoverishment, the exaggerated autarky would mean material impoverishment and thus inevitably also spiritual and biological decay, or in other words: as with the international division of labor with the people the economy, so with consistent autarky with the economy the people must perish (Predöhl). An autarkic economic policy has therefore to strive "for the optimum of the völkisch interests". It must advance autarky to the point – but only to that point – where the ideal and material total benefit for the national economy is highest. II. Large-scale autarky. Now, as I have said, it is the tragedy of most national economies that, in spite of the most intensive promotion of economic potential, their popular optimum lies in a zone which still requires a far-reaching "external orientation." In order not to be dependent on the world economy, which is influenced by foreign forces and powers, for the satisfaction of vital needs, the natural consequence is that the economies striving for self-sufficiency seek to satisfy their vital supplementary needs in neighboring areas. Here, however, the problem of supplementary economies, i.e. of large-scale economies, begins logically. The dogmatic one-sidedness, the bias in the world market-oriented way of thinking, and not least the earlier political constellations and concepts have so far only allowed the antithesis "autarky or world economy". The idea of a large-scale economy, i.e. the close merger of several independent national economies to form an organic complementary economy in terms of trade and production, was discussed from time to time, but was almost always described as practically unfeasible, essentially because the political and economic organizational prerequisites necessary for such cooperation were not regarded as feasible.¹)) The development of the last few years has now shown, not only in Europe but all over the world, as a natural consequence of the abandonment of the liberalistic economic conception, the formation of complementary economies, interconnected economies or large-scale economies. Starting from free trade as the expression of the theoretical maximum of the "cost-space" oriented world economy and the "corrected" free trade of the (still strongly mechanizing) most-favored-nation system, an increasing "regionalization" of trade relations through the border, regional, colonial and other "clauses" already began in the liberalist foreign trade epoch. Of the numerous trade policy blocs of the past, only the Nordic, Baltic, Iberian and, in particular, the British Empire clauses should be mentioned. Block formations such as the Oslo Convention and the Balkan Entente can be seen as going beyond the scope of mere regionalization in customs policy. However, an even more intensive interconnected economy was only introduced with the expansion of the reciprocity principle through the clearing agreements.¹) If the bloc formations of a trade and clearing policy nature already bring about a far-reaching interconnection of the economies involved, the greater economy has even higher goals. It seeks not only to intensify "trade" among the sub-members of the metropolitan area, but also to mobilize all the complementary economic forces of the metropolitan area for the benefit of all the economies involved, thereby intervening deeply in the structure of an economy and reshaping it in accordance with the objectives of

the metropolitan area economy. III Spatial Consciousness. But this is where the problem of "small countries" comes in. In our considerations of "self-sufficiency consciousness," we started from the aspiration of an economy for independent economic organization. If we consider the large European economy, only Germany and its axis partner could be meant by the autarky striving areas. The remaining countries, especially the smaller ones, lack the most necessary prerequisites for an independent autarky policy, unless they wanted to maneuver themselves into a hopeless "forced autarky", which would ultimately mean their downfall in the sense of our above remarks on "optimal policy". It was therefore the lack of self-sufficiency that made the small countries zealous advocates of free trade until very recently. If we now set up the postulate of autarky for the Axis, then we must, in accordance with

what we said at the beginning, according to which the Axis powers do not intend to bring about a European "compulsory metropolitan area", we must examine the possibilities for the behavior of the small countries vis-à-vis the "metropolitan hulk": a) National autarky, which would make it possible for them to live from their own strength and their own space, is completely out of the question for them. b) Another possibility would be for the small economies to expand into metropolitan economies through an appropriate policy of expansion, and thereby to become capable of shaping their destiny in a sovereign manner.¹⁾ The example of Holland and Belgium could be cited here, which could pursue a more or less effective autarky policy by means of their overseas possessions. But even if a self-sufficiency of these economic areas would be possible, nevertheless, with reference to our later remarks on the "spatial situation" of the metropolitan area, this entity must be denied a permanent and secure viability. c) The small economies could furthermore unite in groups to form a metropolitan area. This would result in regional trade policy mergers, as we have already seen in the Balkan alliance and in the Oslo conferences. But even these regional alliances were not viable, on the one hand, because of the lack of complementarity between the sub-regions, and, on the other hand, because of the complete strategic dependence on great powers outside this spatial structure. d) The small economies could perhaps take the view that their existence is guaranteed, as before, without ties to other regions in "free trade". However, it must be said that the system of free trade or of the international division of labor was already largely dysfunctional before this war and broke down completely during it because of its internal inadequacy. Even after the war, it is unlikely to return, for the world economy as a whole is now striving with giant strides toward regional bloc formations. What would be the consequence for the small economies if they were to adhere to free-trade tendencies? They would be practically condemned to "forced autarky" due to their space-less orientation. e) The lack of all possibilities for "long-distance orientation," the lack of self-sufficiency, as well as the inner inadequacy of all other trade policy projects, therefore imperiously demands the connection to the greater hulk, which, incidentally, was their best trading partner even in the most prosperous free trade era. Thus, it is not the political "pressure potential" of the core powers that forces the small states to align themselves with the metropolitan area, but the natural geographic conditions and the most elementary economic necessities of the small states force them to do so! There is therefore no other way out for the small economies than to join the metropolitan economy for better or worse. With it it should be clarified unambiguously that the large space economy is an inevitable consequence of the world economic development also without any "initiative" of the victor states. If Germany is the appointed "bearer" of the Greater Economy, this bearer must make it his duty to administer his fiefdom in such a way that the sub-members of the Greater Area do not see in it a poor substitute for the world economy¹⁾, but a community of life which has far more to offer them than the pseudo-freedom of the liberal epoch. Although we have seen that the metropolitan area is originally an economic entity and that the individual economic interests of the sub-areas bring about the metropolitan area union, no fruitful cooperation can be guaranteed in the long run without supra-economic commonalities. In the case of a purely economic organization of the large-scale economy, there would be a danger – as we have already seen in the evaluation of the international division of labor – that the interests of the people would not be respected to the necessary extent in the organization of the intracontinental division of labor. The bearer of the large-scale economy must therefore be not only an economic shaper, but also a responsible leader of the family of peoples of the large-scale area. The degree of this sense of responsibility, however, determines the degree of trust that the sub-regions have in the leader. The sense of responsibility on the one hand and trust on the other hand constitute the "Greater Area Consciousness". It is necessary to describe this problem area in more detail because of its decisive importance for the lasting existence of a large-scale economy. 1 The spatial awareness of the sub-members. The confidence of the members is

expressed in the awareness that the connection to the large-scale economy ultimately means the best material and also ideal welfare for them. The existence of this spatial consciousness is necessary for the following reasons: The connection to the metropolitan area means first of all the renunciation of the unrestricted economic principle. If in the economy of a large area the economic processes cannot always be carried out according to purely economic aspects, there must be a spiritual balance, an insight, which makes it possible to accept possible sacrifices. Through the community idea of the metropolitan area, any temporary or permanent individual disadvantages must be accepted in the interest of the totality. The idea of the sacrifice of the metropolitan area, which can be summed up in the term "priority of space", i.e. giving priority to the interests of space in all economic considerations and actions, must be instilled in the members of the metropolitan area and constantly promoted. If the peoples of the metropolitan area fulfill this service to the community with sincere will, all the members of the metropolitan area will find that in the end the concentrated and sensibly directed power of the metropolitan economy will surpass even the "blessings" of the purely economic principle. (Cf. the section on "The Spatial Potential" on page 49.) In the following, a systematic presentation is given of those basic rights and basic obligations of the sub-members which are indispensable for the awakening and promotion of the consciousness of the Greater Spatial Area: a) The safeguarding of space. The greater space must represent a secured community of peace. The duties arising from this requirement are primarily the responsibility of the spatial leadership (see page 41). However, the other spatial members must also make a decisive contribution to this fundamental objective of the metropolitan area: Ties to other metropolitan areas or subspaces thereof are to be omitted if they are likely to cause tensions with other metropolitan areas. Scarfoglio says in this regard: "The exact formulation of the continental sentiment can only be the following: Everything that harms or oppresses one nation of the continent harms or oppresses the whole continent; everything that brings advantage to one nation of the continent, without disadvantage to others, is advantageous to the whole continent; whoever sets one continental nation against the other is an enemy of the whole continent and must be put out of action without hesitation. "1) In order to secure the unity of space internally and the protection of space externally, the space member must also make a reasonable contribution, which may be positive in the form of services or negative in the form of a renunciation. b) The integrity of nations: The sovereignty or, better, the autonomy of nations must remain untouched. This refers first and foremost to the preservation of the peoples' own life of the space members. The economy of a large area should not be a "cultural spheroid" or a "melting pot" of American character. Ethnic homogeneity is in no way desired; on the contrary, heterogeneity, insofar as it arises from a healthy ethnic substance, must be encouraged within the family of nations. However, in all fields which touch upon the interests of the greater region, the spatial member must, so to speak, mentally free itself from its spatial narrowness and think in terms of the greater region. This applies in particular to the purely economic sphere. In order to bring about a sensible spatial division of labor, i.e. to secure large-scale planning, it will often be necessary to take measures which at first seem to run counter to national interests, but which in the long run will ultimately prove useful to the national economy. Fostering this "metropolitan insight," i.e., reconciling the zones of national sovereignty with those of metropolitan precedence, will be one of the most difficult metropolitan tasks. That this task must be solved is, to emphasize it again, not a political demand of our days, but an old economic insight. As early as 1932, Karl Krüger wrote: "... In a period which is probably still quite distant, the individual states, as "cooperative members" of the greater area, will have to make themselves comfortable, in order to increase the prosperity of the whole, to depart from their hitherto egoistic-nationalistic economy and to integrate it in a planned manner into the economy as a whole. "1) c) The permanence of the greater area economy. The guarantee for the lasting existence of the metropolitan economy must

not only come from the military side, but also from the economic side. If a state expands or restructures its economy with a view to metropolitan interests to an extent that it would never have done in the absence of a metropolitan nexus, it must be assured that its

a fundamental change in economic policy would, by its very nature, lead the country concerned to a catastrophe of incalculable proportions. d) fair assessment of performance (reciprocity principle). In order to promote metropolitan consciousness, it is also essential that the individual members of the metropolitan area be able to count on a fair evaluation of their performance. One of the most difficult tasks of the metropolitan area economy is the fair measurement of performance, which is expressed in the intergovernmental quantity and price policy. Quantity determination in the form of supply and purchase obligations, as well as performance evaluation, must be established between the sub-members in a loyal and equitable manner. It is imperative that surplus performance be respected and remunerated. Under no circumstances must the metropolitan economy allow itself to be induced by feelings of envy to press the entire area into an "all-leveling economic unitary form" (Landfried). e) The safeguarding of the right to work. Metropolitan planning must not cause unemployment in the metropolitan area, just as, on the other hand, care must be taken to eliminate existing unemployment or underemployment. The guarantee of employment means the guarantee of labor peace, which is an essential condition for political peace and thus for the lasting existence of the metropolitan economy. f) The security of values. The basis for a successful large-scale economy is a firm and lasting standard of values. Only the awareness of the security of values creates a willingness to perform. Crisis elimination thus contributes largely to the promotion of metropolitan confidence. 2. the spatial consciousness of spatial leadership. If up to now almost all large-scale economic endeavors in Europe have failed, this fact was due in particular to the lack of a planned overall management of the large-scale area. Just as a living community can exist in the long run only on the basis of objective and morally authoritative leadership, a large-scale community also needs leadership, i.e. a large-scale leader. "... The fact that the general orientation of the metropolitan area and its members towards the major economic powers present in it takes place and must take place appears natural in the truest sense of the word, for in nature, too, the weaker is entwined around the strong. "1) Leadership in the metropolitan area economy is not "ruling" in the imperialist sense. "Ruled" is subordinates. The large-scale economy, however, is a voluntary community in which each member has a say according to its weight. The means of ruling is force, the means of leading, in contrast, is the insight of the led into the voluntary recognition of the leader. "A metropolitan economy which is to weather all storms is not built up by making the states composing the metropolitan area economically dependent on the leading state and by gagging them. The basis for its long existence is trust in it. The peoples forming the metropolitan area are, so to speak, economic allies of the leading state. "2) Leadership requires not only power, but also conditions of a factual and moral nature. Above all, the leader state must not only draw the advantages from its leadership position, but it must also bear the burdens and sacrifices of the greater space community to the same extent as the other space members. The leader state in a greater space economy must basically have the following requirements: a) Location. The leader state must, if possible, be geographically the country of the center in order to be in close spatial relationship with the sub-members. It is thus the transit country in terms of transportation and the economic intermediary between the peripheral peoples of the metropolitan economy. b) Size. In terms of population and economic potential, the leader state should be the largest metropolitan state, if possible, so that it can most expediently realize the metropolitan will and assert it externally, i.e., vis-à-vis the other metropolitan areas of the world. If the leader state is the largest country both in terms of capacity and in terms of the high quality of its services as well as in terms of the diversity and level of its consumption needs, there is inevitably an elementary need for the neighboring areas to enter into a relationship with the leader state. Therefore, the leader state should have the most

highly developed industry, if possible, because it causes a wide dispersion of its economic interests. c) Power. The leader state should be the greatest power factor, so that it is able to protect the states united in the metropolitan area within the area and to the outside. Only a strong leader state can be the guarantor of a strong metropolitan area. This requirement naturally has implications for the defense economy of the region as a whole. We will come back to this later. d) Leadership qualities. The leader state must possess leadership qualities of a moral, political and economic nature and must have sufficient creative substance in itself to be able to maintain them permanently. Ganzer says aptly on the last point in particular: "It is not necessary for a people gifted with rule to confine itself politically to the area of its national soil; if it possesses the creative power which legitimizes it for the leadership of a comprehensive system, then an encroachment striving for this leadership is a natural phenomenon; empire-buildings in themselves are not a sign of degeneration and encroachment. But they immediately reveal themselves as structures of presumption, when the higher creative health of the leading power is eaten by the germs of decadence." 1 2) IV. The Space Constitution. Having presented the ideal foundations of the large-scale economy, we now turn to the material problems of space. Here the question arises of the spatial position, the spatial structure, the spatial binding and the spatial potential. 1) The spatial situation. The spatial position can be characterized in two ways, firstly with respect to the connection of the subspaces, and secondly with respect to the geographic classification of the metropolitan area in the world space. Thiele³) distinguishes between maritime (e.g. England and Japan) and continental (e.g. USA.) metropolitan areas and furthermore mixed forms (France, Italy). This definition is useful, because it is essential for the existence of the metropolitan economy, if it represents a "neighborhood union". A contiguous landmass is important, on the one hand, for the strategic security of the metropolitan area and, on the other hand, for the promotion of cooperation between the sub-members. We can see in the present war what a decisive disadvantage the British, i.e. maritime, spatial structure has due to the fragmentation of the subspaces. 1) The European metropolitan economy would have to be counted among the continental metropolitan areas. One would be able to apply this definition also with inclusion of Great Britain as well as with consideration of the African supplementary area, since the gravity of the metropolitan area, its potential substance, lies on the continent. The geographic location of the metropolitan area economy is to a high degree co-determining for its efficiency. The more balanced the geographical zone distribution is, the more "sustainable" the metropolitan area is. "The core area of a lively "large-scale economic area", which can cope with all the necessary tasks of economic independence, will therefore have to belong to the temperate zone, however desirable the possession of tropical areas with the products of their rich vegetation may certainly be; the example of the United States, however, suffices as proof that the direct inclusion of tropical areas need not be an indispensable precondition for the formation of a vital economic area. The economic fate of the large monocultures in the world crisis is a warning example of how fertile agricultural areas with enormous production capacities, but with a one-sided production economy, are particularly exposed to the vicissitudes of the world economic cycle. "1) The significance of spatial location for the strategic safeguarding of the large-scale economy will not be discussed here. 2) 2. Spatial structure. The structure of the metropolitan area is of considerable importance for prosperous cooperation among the members of the metropolitan area. If spatial awareness in Europe has been so poorly developed so far, this is not least due to the fact that Europe is one of the most rugged and torn spaces on earth. More than half of its territory is made up of peninsulas. Great mountain ranges crisscross the space. In these countless nooks and crannies, just as many peoples and tribes have naturally developed. Narrowness of space, however, increases the tendency to segregation, whereas spaciousness promotes unification. The USA. is a typical example of how wide spaces also promote wide thinking and feeling and facilitate large-scale economic planning. It will therefore have to be a particularly important goal of large-scale economic cooperation in Europe to

transcend narrow spatial and historical traditions and facts in order to promote the binding "European idea".

"European idea" – while, of course, respecting national characteristics and values. 3. spatial binding. The degree of binding of national economies to the greater space economy can be quite different. In accordance with our earlier statement that the cooperation of a state with the metropolitan area is not based on coercion, there are a variety of possibilities of binding. What is essential for the assessment of a binding is solely the state of practical cooperation. "Greater area treaties" are meaningless unless a thousandfold interconnection of economic bodies results from an honest will to cooperate. Such a complex as the large-scale economy cannot be forced into the paragraphs of a treaty; spatial consciousness cannot be replaced by a signed piece of paper. We can make the following gradations of large-scale economic cooperation: a) Political unity of the sub-areas (e.g. Germany and the General Government). In such a case, of course, the goals of large-scale planning can be realized to the greatest extent. b) Allied states (e.g. Germany and Italy). If there is complete agreement on political and ideological goals, a good basis is also created for economic cooperation. c) Independent sub-regions (e.g. Germany and Sweden). Here, all possibilities will be available for cooperation, from preferential links to bilateral treaties to complementary production communities. The more spatial awareness is developed, the closer the economic integration will be. d) Complementary areas. Complementary areas are those economies which do not geographically participate in a closed unit of the metropolitan economy and whose strategic security is not consistently provided to the same extent as in the central bloc. They therefore serve less to secure economic freedom than to raise the standard of living. In turn, they can be independent (e.g., Arabia in relation to the European metropolitan economy) and politically bound (e.g., German colonies). e) World economy. By world economy will be meant the ordering of external economic relations among the future metropolitan areas. The metropolitan economy is anything but hostile to world trade. On the contrary, it provides only the true basis for an extended and lasting world trade. For world trade to take place, the will to trade is first of all necessary. This, however, is again dependent on the needs of the large areas. Now, since the needs of man are unlimited, the metropolitan economy will be able to take advantage of every import opportunity beyond the coverage of its needs in "security goods" – provided that it is also offered the opportunity to acquire the counter-values by export. There is no greater error than to assume that an autarkic economic order must be associated with closing tendencies. On the contrary: "Organically developed national economies, namely those oriented to the goals of the national whole, are in the long run better partners in international exchange than national economies which are unilaterally and inorganically interwoven into the international division of labor. "1) The goal of the autarkic economic order is to establish and maintain economic independence. Moreover, it will never resist man's urge to satisfy "supplementary needs" beyond the security space. Reich Minister of Economics Funk said in his landmark remarks¹⁾ on the future European large-scale economy: "We would have to guarantee the economic freedom of the European area, i.e. ensure that, as far as possible, all the products were sufficiently available to make this economic area economically independent of other areas, and this was largely a question of the standard of living in the individual countries. For example, we would not need to import a ton of oil from overseas markets in the future if we rationed fuel consumption accordingly. If, however, the use of the automobile and the manufacture of automobiles should be extended at will, there would be nothing to prevent the importation of this excess portion of oil from the world, because in emergencies consumption could be brought up to the level which we ourselves have available." The most favorable. The most favorable conditions for an extended supplementary trade, however, are created by the large-scale economy precisely because it is internally healthy and thus durable and crisis-proof. The sterile antithesis "autarky or world economy" is thus transformed into the principle: autarky

and world economy! 4. the space size The space size is important on the one hand for the degree of the self-sufficiency, on the other hand for the realization of the space order. The problem of the lower limit of the spatial expansion of a large-scale economy need not be dealt with in detail here.2) For the upper limit of spatial expansion, only loose indications can be given. The greater the spatial extent of a large-scale economy, the better its carrying capacity will be. However, this need not be true in every case. The decisive factor for the self-sufficient weight of a large-scale economy is rather its spatial potential, which is often greater in the case of small spaces than in the case of widely extended areas. On the other hand, the "space size" has an essential influence on the efforts of order within the large-scale economy. First of all, large-area planning is facilitated when the number of merged independent sub-areas is as small as possible. The more independent subspaces there are, the more difficult is the unified planning. But not only that: the productivity of the service area is reduced by the fact that each sub-area, due to its independent state and administrative apparatus, burdens the large-scale production with a not insignificant share of "overhead costs". But even the upward expansion of space has its limits. If an optimum, which is certainly difficult to define, is exceeded, it would be easy to slip back into the waters of an old-style world economy, in that the core of the order would lose its overview of the planning area and, in addition, strategic safeguards would cause difficulties. However, this is not precluded by the fact that those areas which would lead to an oversizing of the metropolitan area, for example, enter into close trade relations with the metropolitan area as "supplementary areas". Now the question remains to be examined whether the condition of complementary character must necessarily be fulfilled by the merging of spatial elements or by the connection of subspaces to the metropolitan area. This is probably not the case. The development of foreign trade in recent decades has shown that trade between countries of the same structure can also be advantageous for both. In the economy of a large area, this point of view would become even more important if the ideas expressed in the theory of comparative costs were realized, i.e. if the sub-areas of the same or similar structure and the same or similar degree of development were to operate predominantly in those areas which correspond to their special talents. In addition, it must be said that it would not be compatible with the idea of the community of habitats if an economy were to be "expelled" from the community of habitats because of its lack of complementary benefit for the entire area. 5. spatial potential. The spatial potential is composed of the following components: a) material base a) land use (agricultural land, forest, etc.), β) mineral resources (coal, iron, metals, etc.); b) power base (coal, water, wind, sun); c) transport base (The importance of this factor should not be underestimated. Insurmountable transport obstacles (swamps, high mountains), or obstacles that can be overcome only with great difficulty, significantly hinder large-scale cooperation); d) Labor base (mental and physical labor). These four factors overlap or are partially interdependent. For example, the substance basis can also be force basis at the same time, the work basis can also be force basis at the same time, etc. The size and type or intensity of the interaction of these four factors determine the potential of "large-scale self-sufficiency". In accordance with the aim of this paper, which is to study the market organization of the large-scale economy, we refrain from dealing with the potential bases of European or other large-scale economies, as was noted in the preface. Only some remarks on the factor "labor basis" shall be made. We have deliberately chosen the term "labor base" instead of "population base" because the degree of self-sufficiency is not determined by the sum of people living in a space, but by the degree of labor intensity and labor valence.1) Beside the USA. so far the UdSSR, was always called "ideal" large-scale economy. The USSR, however, was far from it, since it reached its technical development stage only with the help of foreign mental and partly also physical labor and would probably never have reached it in the future without this help.2) To what extent, however, the limited presence of the factor "material" can be compensated by "labor", the German example proves. It is worthwhile to refer to the

It is worthwhile to take a closer look at the problem of "intellectual self-sufficiency and material creation" in order to counter widespread misconceptions and misguided thinking, especially with regard to quality and cost issues, in the creation of new materials. Up to now, the degree of economic efficiency of a production was always read off the price scale of the world market. Today, however, we are of the opinion that cost and price differentials must and can necessarily be spatial. An economic policy that primarily pursues the political, military and social interests of its own community of people or nations cannot and will not measure its measures and results against the performance of any overseas monocultures whose economies are built on a completely different basis. The autarky costs (difference between

the world market price and the domestic price of autarky products) are to be regarded as an "insurance premium against capitulation" (Daitz). In the cost and price balance of the large-scale economy, this insurance premium must be just as self-evident as, say, the fire insurance premium in the yield calculation of the tenement house. Although we therefore generally refrain from basing the assessment of our economic policy on the value yardsticks of the world market, developments have shown that we need not shy away from cost comparisons. If, in the past, the idea of self-sufficiency essentially always failed because of cost considerations, this was simply because the unique revolution of new material technology as well as the possibilities of generous economic planning and the resulting increases in productivity of the economy were not foreseen at that time. The economic doctrine born of the principle of acquisition was understandably unable to gauge the technical and economic results of a national organic common economy. The chemical industry has shown us¹⁾ how utopias in the technical and economic field can become reality. Chemistry has penetrated the secrets of the world of substances and has produced the highest-quality raw materials, semifinished products and finished products from the mass products available in almost all areas. This has been its task not only since 1933 or since the announcement of the Four-Year Plan. Long before the turn of the century, the tar dye industry, for example, was born out of the inherent dynamism of chemistry without a state mandate and without being forced to do so by the shortage of raw materials. The foundations of ammonia synthesis had already been laid before the World War. Plastics, such as celluloid, vulcanized fiber, casein-based artificial horn, etc., were invented and produced on a large scale in the last decades of the 19th century. Chemistry thus "sinned" against the law of the international division of labor already in the heyday of liberalism. It is significant, for example, that it was not until 1894 that tar dyes, i.e. artificial colorants, were approved for Prussia's military needs. Even then, the chemical industry was promoting national interests without the state itself always showing the necessary understanding for its aspirations. What an incentive it must have been for chemical research and industry when an autarky-conscious economic management, as was the case during the World War and to an even greater extent during the Four-Year Plan, took the initiative in developing domestic sources of raw materials itself and provided industry with every possible assistance in its endeavors! But the chemical industry not only masterfully solved the technical problems, but also the no less important business management problems. Projects that initially seemed to be impossible from a private-sector perspective were gradually brought into the realm of the economically feasible in a tough struggle for economic viability. Products that decades ago cost RM 20, 100, or even 1000 per kilogram are now on the market for just a few tens of pennies. Thousands of examples of this can be found in the history of the chemical industry. The law of mass production has become particularly effective as a result of the capacity expansions that have been driven forward in recent years. At the beginning of 1937, Buna still cost about RM 5.-, whereas today it costs only about RM 2.30. The price of aluminum, once an almost magical quantity, has recently been reduced to RM 1.27. Artificial silk (viscose la 120 den. weft) still cost RM 12.50 in 1913, since 1937, however, RM 4.25. The rayon quality, which is processed to replace cotton, still cost RM 5.85 in 1926,

today, however, about RM 1.45 per kg. Let us stay with the latter example to prove the "profitability" of autarky. The peace price for American cotton was RM 0.75 to 0.80. The best Egyptian cotton even cost RM 1. Now, however, one must take into account that rayon production started on a large scale only a few years ago. If we compare this with the development of other branches of production, we can estimate the price reductions that will be recorded in the field of rayon in five, ten or even twenty years, firstly as a result of technical progress, and secondly as a result of the constant expansion of sales both vertically (increased consumption) and horizontally (more and more countries and spinners moving over to rayon processing). But even if we assume that the price of rayon could not be lowered below RM 1.00 or 1.20 in the future, the processing of cotton will still not be "more profitable". This claim, which sounds strange at first glance, results from a fact which is unfortunately paid far too little attention to, i.e. the problem of the "foreign exchange effect". It is, of course, wrong to compare the German rayon price of RM1.45 with the peace price of USA cotton of RM0.80 in purely numerical terms. Rather, it must be made clear how the German economy obtained the foreign exchange amount of RM0.80 for the purchase of cotton. However, this is where the unfortunate problem of the disproportion between the German production costs and the export revenues achievable since the world economic crisis comes in. As a result of currency devaluations, prohibitive tariffs, subsidies of all kinds and the destructive competition from foreign industry made possible by them, it has not been possible to cover even remotely the cost price of a large proportion of German exports. In many cases, the proceeds were not even half the cost of production. (The loss thus often exceeded the possible extent of a devaluation[^] of the Reichsmark, as was repeatedly desired by some economists in the pre-war years). Applied to our example, however, this means that the amount of RM 0.80 corresponds to a much higher performance equivalent, measured by German standards. If we now have to spend not RM 0.80 but RM 1.00 or even 1.20 of German labor to obtain foreign currency for a kilogram of cotton, it makes no economic sense to first produce and export an exportable product at a loss in order to be able to buy cotton for the equivalent value. It would be much more appropriate to produce the raw material rayon at a loss from the outset and to have the loss borne by some form of subsidy, such as government funds, a "self-help campaign by German industry" or by charging the general public a higher price. This problem of "inward export promotion" has received so little attention primarily because holistic thinking in all matters of foreign trade is still in its infancy. Discussions on price and cost policy have been held with regard to exports, imports or autarkic products, but the interrelationships between these three factors have been little recognized in their problematic nature. After presenting this practical example, the demand for a national economic approach raised at the beginning of this article becomes even clearer: from a world economic liberalist point of view, rayon production is inferior to cotton production in terms of costs, i.e. it is unprofitable; from the point of view of the overall or external economic production and circulation process, however, it becomes profitable. Now, it could be objected that this consideration is based on a fixed historical value, namely the price ratios of the pre-war period, and that the conditions after the war could be different. As far as world market commodity prices are concerned, they showed a general upward trend during the war. For the post-war period, it can be argued that the ever tighter cartelization and the ever stronger influence of governments on production and sales make major price collapses almost inconceivable.¹⁾ On the other hand, increasing overseas competition in the finished goods sector is generally expected in the postwar period. The "foreign exchange effect" will therefore become even smaller in the future – the autarky calculation thus more favorable. Moreover, in the event of any quantitative restrictions on German exports due to increasing overseas cut-off measures, those export goods which were previously used to purchase raw materials would be used for all those imported goods from overseas which, on the one hand, we are not in a position to produce, but which, on the other hand, we would not be able to buy if we were still dependent on the purchase of the

"exchangeable" raw materials. In a total consideration of the self-sufficiency problem, a number of other important problems must be taken into account. It is usually the case that not the simplest and most uncomplicated products are absorbed by the world market, but that, as a consequence of the increasing independence of foreign economies, only high-value industrial goods have to be exported in return for raw materials, i.e. we exchange, for example, optical instruments and machine tools for imported goods, the production process of which is carried out by nature, at most supported by the cultivation or extraction work of natives. If we produce these raw materials ourselves in our own region, we have the opportunity to use the high-quality industrial goods to a greater extent for the benefit of our own national economy. The slogan "Export or die!" will no longer apply. In other words, the German economy will no longer sell the top achievements of German industry to foreign countries under economic pressure in order to satisfy their most primitive needs. Quality issues continue to play an important role. The natural raw materials are unilaterally formed according to the purpose that nature has given them. But how versatile the raw material can be made only by its synthetic production! We already see this in plastics, synthetic fibers, light metal alloys and many other raw materials and materials. It would certainly not be possible for

American industry to achieve a rayon price on the U.S. market today that is more than 50% higher than the cotton price if this product did not have superior properties to cotton in its various special types. There are also important new prospects from the standpoint of the new economic and social order. Incorporation of raw material production into the industrial production sector of an economy will permit more generous economic planning and far greater steadiness in meeting demand. When raw materials are sourced from overseas, this continuity of supply is endangered both in terms of the producer's production conditions (bad harvests, strikes, danger of exhaustion) and in terms of his ability to deliver (transport difficulties, price fluctuations, etc.). Furthermore, the establishment of production facilities in the virgin materials industry supports regional planning to a particular extent (settlement of underpopulated areas, industrialization of agriculturally overpopulated areas, implementation of the latest findings of company social policy in new buildings, etc.). It should also be mentioned that the creation of new materials on a scientific basis is one of the most important impulses for the cultural development of a nation. It is clear that the autarkic economic order, from whatever point of view one looks at its effects – whether from the point of view of state policy or social policy, whether from the point of view of national economy or business management – forms the best basis for a national-organic organization of national existence, and that large-scale autarky is not a "utopian fantasy" if it is handled sensibly and viewed from a total point of view, but can stand up to any comparison with the achievements of the liberal division of labor in the world economy, both from the point of view of national objectives and from that of a sober calculator. V. Spatial planning. Spatial planning comprises all measures for the development, promotion and maintenance of the productive forces of the large-scale economy for the benefit of all spatial elements in accordance with their performance. Spatial planning includes the following areas: 1. material planning (agricultural products and industrial raw materials), 2. production (location) planning, 3. sales planning, 4. transportation planning, 5. settlement planning. We deal with production and sales planning in the main part of our paper. Transportation and settlement planning are outside the scope of our work as special fields, but also with regard to material planning we limit ourselves only to some basic remarks. The metropolitan area should be self-sufficient in terms of material supply to the extent that its "security needs" are met under the most unfavorable foreign policy constellation. The determination of security needs necessitates the establishment of supply balances for each major commodity. The following classification of needs must ▼be adopted: a) vital needs, b) defense needs, c) expendable needs, d) luxury needs. The needs for a and b must necessarily be able to be met in the metropolitan area, while the needs for c and d can also be procured in supplementary areas.

Supplemental needs can and should be able to be met in peacetime in any amount desired. The term "vital" is therefore absolute in the direction of the minimum, but relative toward the maximum in the sense that for a highly developed peacetime economy even the dispensable or even the luxury requirement can be called vital. In a defensible¹⁾ economy, there must be a guarantee that for every important raw material there is a control scheme taking into account the four gradations mentioned above, so that, if necessary, smooth management can occur without delay. During this war, such a management procedure has largely become established in the German Reichsstellen and Wehrmachtsstellen. Precautions must be taken to ensure that, at the end of the war, the valuable experience gained there is not thrown overboard, even if a sudden surplus of previously managed articles should arise²⁾. Even if effective management can be discontinued, potential management must continue in the form of ongoing monitoring of production and demand. In many cases, a more or less tight effective management will also have to be maintained, both with regard to the development of raw material bases and the management of stocks, sales and consumption. When planning the extraction of raw materials, the risk of depletion of deposits must be taken into account above all. Far-sighted raw materials planning must therefore never be short-term, but must always be planned for years and decades¹⁾. One could argue that autarky is unnecessary to the extent that raw material storage is practiced. Apart from the costs of storage and the danger of spoilage, however, this procedure would not be compatible with the "self-sufficiency consciousness". It is precisely through the unrestricted disposal of "security goods" that the metropolitan area wants to develop into a "rest potential" in the world economy, which on the one hand protects against exploitation, and on the other is the basis of world peace. Therefore, the stockpiling principle can be considered only for those substances which the metropolitan area could never create itself or which do not constitute security goods. C. The "law of space" as the law of life of peoples. As we have already pointed out, the tendency to large-scale space formation is not confined to the European continent. Out of the chaos of the liberal world economy, nuclei of order have emerged in all parts of the world,' grouping natural habitats around them. The external cause, the degree of intensity and the image of order are quite different, but the tendency is the same everywhere. Although we have tried to prove that purely economic considerations have awakened and fostered the idea of large areas, the ordering of extra-economic relations brings about such fundamental upheavals in the totality of the living conditions of all peoples that one must ask oneself whether, in the final analysis, deeper motives than purely material ones are not decisive for the formation of large areas: for instance, the striving for better forms of human existence than the liberal order of life could offer. It is not the aim of this work to make such observations. Reference is made to the work of Werner Daitz, who has been demonstrating for many years that since 1919 the world has been visibly subdivided into large areas, which represent not only economic purpose areas, but biologically bound, i.e. natural living spaces with species-specific lifestyles. Daitz proves convincingly that no people can escape from this natural order of its habitat, unless at the price of transformation or degeneration. Daitz characterizes the bond between the subspaces of these centers of order as well as their order of life with the following vivid comparison: "If the sun attracts the planets, this does not mean their rape, because the sun does not dissolve the planets into solar mass, but lets them exist in their natural wholeness, with which now again the planets also attract the sun, each according to its natural weight. This system of unconstrained order and invisible guidance will also be the law of order of the new Europe and the other habitats: Acting without acting. There is yet another fundamental law of the new Europe: Just as a planet cannot leave the solar system without destroying itself and the whole, the European community of peoples is governed by the law that no people can remove itself from it or act against its living order without destroying itself and the whole. Communities of peoples and nations are subject to the same great law of life. None of their

members can act against the whole with impunity. "1) Werner Daitz distinguishes between six centers of life in the world: "1. the East Asian region with a population of about 560 million; 2. the Indian-Malay region with about 520 million; 3. the European region with about 530 million; 4. the African region with about 5 million. 530 million; 4. the African habitat with about 160 million; 5. the , North American habitat with about 185 million and 6. the South American habitat with about 95 million, which is clearly distinguishable from it. "2) Next to the European metropolitan area, the East Asian one has developed the largest spatial initiative so far. The East Asian metropolitan area, that "East Asian zone of common prosperity", with the core countries Japan, Manchukuo and China has many common characteristics with the European one. Daitz makes a sharp distinction between the North American and South American space blocs. In fact, many important prerequisites of an all-American space economy are missing. Ethnically, it is the extensive independence of South America,1) economically, it is the lack of a complementary character between the North American and South American continents. Germany has been and will continue to be the spiritual initiator of the idea of Greater Space! "If we pave and go this way, then we fulfill thereby a national duty and beyond that a mission opposite the entire civilized world. "2)